



DOUGLAS A. DUCEY
GOVERNOR

STATE OF ARIZONA
OFFICE OF THE GOVERNOR

EXECUTIVE OFFICE

April 11, 2019

The Honorable Katie Hobbs
Secretary of State
1700 W. Washington, 7th Floor
Phoenix, AZ 85007

Dear Secretary Hobbs:

I am transmitting to you the following bills from the Fifty-fourth Legislature, 1st Regular Session, which I signed on April 11th, 2019:

H.B. 2008 duty to report; supervisor; administrator (Kavanagh)
H.B. 2053 competency evaluations; reports (J. Allen)
H.B. 2092 health care directives; definitions (Grantham)
H.B. 2107 municipalities; parking; public vehicles (Grantham)
H.B. 2137 workers' compensation; excess insurance policies (Biasiucci)
H.B. 2166 insurance; cost-sharing; calculation (Barto)
H.B. 2229 cable licensing; video service providers (J. Allen)
H.B. 2272 G&F; resident; definition (Dunn)
H.B. 2487 state veterans' homes (Lawrence)
H.B. 2695 funds; repeal (Udall)
H.B. 2721 town elected officials; term limits (Lawrence)
S.B. 1077 emergency medical services council; continuation (Brophy-McGee)
S.B. 1142 trust land fund monies; distributions (D. Farnsworth)
S.B. 1170 nonprescription drug permits; repeal (Carter)
S.B. 1184 schools; economics; personal financial management (S. Allen)
S.B. 1256 school districts; procurement practices; auditors (Gray)
S.B. 1346 school; assessments; instruction; reporting (S. Allen)

Sincerely,

Douglas A. Ducey
Governor
State of Arizona

cc: Senate Secretary

Chief Clerk of the House of Representatives
Arizona News Service

House Engrossed

FILED
KATIE HOBBS
SECRETARY OF STATE

State of Arizona
House of Representatives
Fifty-fourth Legislature
First Regular Session
2019

CHAPTER 74
HOUSE BILL 2137

AN ACT

AMENDING SECTION 23-966, ARIZONA REVISED STATUTES; RELATING TO WORKERS'
COMPENSATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 23-966, Arizona Revised Statutes, is amended to
3 read:

4 23-966. Failure of employer to pay claim or comply with
5 commission order; reimbursement of funds

6 A. If a self-insured employer or other employer authorized by the
7 commission to process or pay claims directly pursuant to this chapter does
8 not fully comply with the provisions of the workers' compensation law
9 relating to the processing or payment of compensation, medical benefits or
10 the final orders of the commission, the workers' compensation claims shall
11 be assigned by the commission to the special fund established by section
12 23-1065. The special fund shall ensure that these claims are processed
13 and that compensation, benefits or amounts due are paid. The special fund
14 may use third-party processors or other legal, medical, claims or labor
15 market personnel to assist in the processing and payment of claims
16 assigned under this section.

17 B. In addition to expenditures authorized under subsection A of
18 this section, the special fund may use monies for any expense or service
19 that is necessary to ensure that claims assigned under subsection A of
20 this section are processed and paid, necessary to assist in the
21 determination of liability of a claim that is assigned under this section
22 or necessary to assist in the collection of monies owed to the special
23 fund under this section, including collection against the cash,
24 securities, bond and other assets of the employer. These expenses may
25 include travel, discovery procedures and employing any third-party
26 processor, expert, consultant or professional, including an attorney,
27 auditor, examiner or actuary. The special fund shall reimburse the
28 administrative fund for all expenses incurred by the administrative fund
29 related to the processing and payment of claims assigned under this
30 section.

31 C. THE SPECIAL FUND IS THE SUCCESSOR IN INTEREST TO ALL EXCESS
32 INSURANCE POLICIES IN EFFECT AT THE TIME OF AN ASSIGNMENT UNDER SUBSECTION
33 A OF THIS SECTION THAT INSURE ANY PART OF THE SELF-INSURED EMPLOYER'S
34 FINANCIAL OBLIGATIONS UNDER THE WORKERS' COMPENSATION LAWS. THE SPECIAL
35 FUND'S RECOVERY RIGHTS UNDER THIS SUBSECTION ARE SUBJECT TO APPLICABLE
36 COVERAGE TERMS AND POLICY LIMITS IN THE EXCESS POLICY. THE EXCESS INSURER
37 SHALL MAKE PAYMENT DIRECTLY TO THE SPECIAL FUND FOR ALL COVERED AMOUNTS
38 SPENT UNDER THIS SECTION, INCLUDING ADMINISTRATIVE COSTS, NECESSARY
39 EXPENSES AND ATTORNEY FEES TO THE EXTENT COVERED BY THE EXCESS POLICY.
40 UNLESS RECOVERED FROM AN EXCESS INSURER, the special fund shall have a
41 claim against the employer for all monies that are spent or anticipated to
42 be spent under this section, including administrative costs, necessary
43 expenses and attorney fees. Any claim by the special fund shall be made
44 on the cash, securities or bond filed under section 23-961 or applicable
45 rules or on any other asset of the employer.

Passed the House February 11, 20 19

by the following vote: 60 Ayes,

0 Nays, 0 Not Voting

W. R. Drake
Speaker of the House

☒ Pro Tempore

Jim Drake
Chief Clerk of the House

Passed the Senate April 4, 20 19

by the following vote: 29 Ayes,

0 Nays, 1 Not Voting

Karen Fourn
President of the Senate

Susan Owens
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

8 day of April, 20 19

at 3:29 o'clock P M.

Samuel A.
Secretary to the Governor

Approved this 11th day of

April 2019

at 10:43 o'clock A M.

Gregory B. Sargent
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 11 day of April, 20 19

at 4:55 o'clock P. M.

[Signature]
Secretary of State

H.B. 2137